



Reprinted  
February 27, 2008

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## ENGROSSED HOUSE BILL No. 1140

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DIGEST OF HB 1140 (Updated February 26, 2008 5:15 pm - DI 104)

**Citations Affected:** IC 5-10; IC 27-8; IC 27-13; noncode.

**Synopsis:** Coverage for orthotic and prosthetic devices. Requires certain coverage for medically necessary orthotic or prosthetic devices under a state employee health benefit plan, a policy of accident and sickness insurance, and a health maintenance organization contract.

**Effective:** July 1, 2008.

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### Murphy, Fry

(SENATE SPONSORS — DILLON, SIMPSON, MILLER, DEIG)

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January 14, 2008, read first time and referred to Committee on Insurance.  
January 24, 2008, amended, reported — Do Pass.  
January 28, 2008, read second time, ordered engrossed. Engrossed.  
January 29, 2008, read third time, passed. Yeas 83, nays 14.

SENATE ACTION

January 29, 2008, read first time and referred to Committee on Health and Provider Services.  
February 21, 2008, amended, reported favorably — Do Pass.  
February 26, 2008, read second time, amended, ordered engrossed.

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Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1140

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A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 5-10-8-14 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2008]: **Sec. 14. (a) As used in this section, "covered individual"**  
4 **means an individual who is entitled to coverage under a state**  
5 **employee health benefit plan.**

6 (b) As used in this section, "orthotic device" means a custom  
7 fabricated brace or support that is designed based on medical  
8 necessity as a component of the prosthetic device.

9 (c) As used in this section, "prosthetic device" means an  
10 artificial leg or arm.

11 (d) As used in this section, "state employee health benefit plan"  
12 means a:

13 (1) self-insurance program established under section 7(b) of  
14 this chapter; or

15 (2) contract with a prepaid health care delivery plan that is  
16 entered into or renewed under section 7(c) of this chapter;  
17 to provide group health coverage. The term does not include a

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dental or vision plan.

(e) A state employee health benefit plan must provide coverage for orthotic devices and prosthetic devices, including repair or replacement of an orthotic device or a prosthetic device that:

(1) is performed by an orthotist, a prosthetist, or a pedorthist that is accredited as required by the federal Centers for Medicare and Medicaid Services;

(2) is determined by the covered individual's physician to be medically necessary to restore or maintain the covered individual's ability to perform activities of daily living or essential job related activities; and

(3) is not solely for comfort or convenience.

(f) The coverage required under subsection (e) must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless:

(1) otherwise limited by this section; or

(2) a different reimbursement rate is negotiated.

(g) Except as provided in subsection (h), the coverage required under subsection (e):

(1) may be subject to; and

(2) may not be more restrictive than;

the provisions that apply to other benefits under the state employee health plan.

(h) The coverage required under subsection (e) may be subject to utilization review, including periodic review, of the continued medical necessity of the benefit.

SECTION 2. IC 27-8-24.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

#### **Chapter 24.2. Coverage for Prosthetic Devices**

**Sec. 1.** As used in this chapter, "insured" means an individual who is entitled to coverage under a policy of accident and sickness insurance.

**Sec. 2. (a)** As used in this chapter, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1.

**(b)** The term does not include the following:

(1) Accident only, credit, dental, vision, Medicare, Medicare supplement, long term care, or disability income insurance.

(2) Coverage issued as a supplement to liability insurance.

(3) Automobile medical payment insurance.

(4) A specified disease policy.

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(5) A limited benefit health insurance policy.

(6) A short term insurance plan that:

(A) may not be renewed; and

(B) has a duration of not more than six (6) months.

(7) A policy that provides a stipulated daily, weekly, or monthly payment to an insured during hospital confinement, without regard to the actual expense of the confinement.

(8) Worker's compensation or similar insurance.

(9) A student health insurance policy.

Sec. 3. As used in this chapter, "orthotic device" means a custom fabricated brace or support that is designed based on medical necessity.

Sec. 4. As used in this chapter, "prosthetic device" means an artificial leg or arm.

Sec. 5. A policy of accident and sickness insurance must provide coverage for orthotic devices and prosthetic devices, including repair or replacement of an orthotic device or a prosthetic device that:

(1) is performed by an orthotist, a prosthetist, or a pedorthist that is accredited as required by the federal Centers for Medicare and Medicaid Services;

(2) is determined by the insured's physician to be medically necessary to restore or maintain the insured's ability to perform activities of daily living or essential job related activities; and

(3) is not solely for comfort or convenience.

Sec. 6. The coverage required under section 5 of this chapter must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless:

(1) otherwise limited by this chapter; or

(2) a different reimbursement rate is negotiated.

Sec. 7. Except as provided in section 8 of this chapter, the coverage required under section 5 of this chapter:

(1) may be subject to; and

(2) may not be more restrictive than;

the provisions that apply to other benefits under the policy of accident and sickness insurance.

Sec. 8. The coverage required under section 5 of this chapter may be subject to utilization review, including periodic review, of the continued medical necessity of the benefit.

SECTION 3. IC 27-13-7-19 IS ADDED TO THE INDIANA CODE

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AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 19. (a) As used in this section, "orthotic device" means a custom fabricated brace or support that is designed based on medical necessity.**

**(b) As used in this section, "prosthetic device" means an artificial leg or arm.**

**(c) An individual contract or a group contract that provides coverage for basic health care services must provide coverage for orthotic devices and prosthetic devices, including repair or replacement of an orthotic device or a prosthetic device that:**

**(1) is performed by an orthotist, a prosthetist, or a pedorthist that is accredited as required by the federal Centers for Medicare and Medicaid Services;**

**(2) is determined by the enrollee's physician to be medically necessary to restore or maintain the enrollee's ability to perform activities of daily living or essential job related activities; and**

**(3) is not solely for comfort or convenience.**

**(d) The coverage required under subsection (c) must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless:**

**(1) otherwise limited by this section; or**

**(2) a different reimbursement rate is negotiated.**

**(e) Except as provided in subsection (f), the coverage required under subsection (c):**

**(1) may be subject to; and**

**(2) may not be more restrictive than;**

**the provisions that apply to other benefits under the group contract or individual contract.**

**(f) The coverage required under subsection (c) may be subject to utilization review, including periodic review, of the continued medical necessity of the benefit.**

**SECTION 4. [EFFECTIVE JULY 1, 2008] (a) IC 5-10-8-14, as added by this act, applies to a state employee health benefit plan that is established, entered into, delivered, amended, or renewed after June 30, 2008.**

**(b) IC 27-8-24.2, as added by this act, applies to a policy of accident and sickness insurance that is issued, delivered, amended, or renewed after June 30, 2008.**

**(c) IC 27-13-7-19, as added by this act, applies to an individual contract or a group contract that is entered into, delivered,**

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1 amended, or renewed after June 30, 2008.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred House Bill 1140, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 6, after "(b)" insert **"As used in this section, "orthotic device" means a custom fabricated brace or support that is designed based on medical necessity.**

**(c)".**

Page 1, line 7, delete "medical device that is not surgically implanted and that" and insert **"leg or arm."**

Page 1, delete lines 8 through 15.

Page 1, line 16, delete "(c)" and insert **"(d)".**

Page 2, line 6, delete "(d) Coverage under a" and insert **"(e) A".**

Page 2, line 6, delete "may" and insert **"must provide coverage for orthotic devices and prosthetic devices, including repair or replacement of an orthotic device or a prosthetic device that:**

**(1) is performed by a licensed orthotist or prosthetist or a certified pedorthist;**

**(2) is determined by the covered individual's physician to be medically necessary to restore or maintain the covered individual's ability to perform activities of daily living or essential job related activities; and**

**(3) not solely for comfort or convenience.**

**(f) The coverage required under subsection (e) must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless otherwise limited by this section.**

**(g) The coverage required under subsection (e):**

**(1) may be subject to; and**

**(2) may not be more restrictive than;**

**the provisions that apply to other benefits under the state employee health plan.**

**(h) Coverage under a state employee health benefit plan may not be subject to lifetime:**

**(1) dollar limits or other coverage limitations for medically necessary orthotic devices or prosthetic devices; or**

**(2) deductibles, copayments, or coinsurance provisions for medically necessary orthotic devices or prosthetic devices that are less favorable to a covered individual than the deductibles, copayments, or coinsurance provisions applying to other coverage generally under the state employee health benefit**

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plan."

Page 2, delete lines 7 through 14.

Page 2, line 39, delete "(a)" and insert **"As used in this chapter, "orthotic device" means a custom fabricated brace or support that is designed based on medical necessity.**

**Sec. 4."**

Page 2, line 40, delete "medical device that is not surgically implanted and that" and insert **"leg or arm."**

Page 2, delete lines 41 through 42.

Page 3, delete lines 1 through 7.

Page 3, line 8, delete "4. Coverage under a" and insert **"5. A"**.

Page 3, line 9, delete "may not be subject to annual or lifetime:" and insert **"must provide coverage for orthotic devices and prosthetic devices, including repair or replacement of an orthotic device or a prosthetic device that:**

- (1) is performed by a licensed orthotist or prosthetist or a certified pedorthist;**
- (2) is determined by the insured's physician to be medically necessary to restore or maintain the insured's ability to perform activities of daily living or essential job related activities; and**
- (3) not solely for comfort or convenience.**

**Sec. 6. The coverage required under section 5 of this chapter must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless otherwise limited by this chapter.**

**Sec. 7. The coverage required under section 5 of this chapter:**

- (1) may be subject to; and**
- (2) may not be more restrictive than;**

**the provisions that apply to other benefits under the policy of accident and sickness insurance.**

**Sec. 8. Coverage under a policy of accident and sickness insurance may not be subject to lifetime:**

- (1) dollar limits or other coverage limitations for medically necessary orthotic devices or prosthetic devices; or**
- (2) deductibles, copayments, or coinsurance provisions for medically necessary orthotic devices or prosthetic devices that are less favorable to a covered individual than the deductibles, copayments, or coinsurance provisions applying to other coverage generally under the policy of accident and sickness insurance."**

Page 3, delete lines 10 through 16.

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Page 3, line 19, after "(a)" insert **"As used in this section, "orthotic device" means a custom fabricated brace or support that is designed based on medical necessity.**

**(b)".**

Page 3, line 20, delete "medical device that is not surgically implanted" and insert **"leg or arm."**

Page 3, delete lines 21 through 29.

Page 3, line 30, delete "Coverage under an" and insert **"An"**.

Page 3, delete lines 31 through 38 and insert **"must provide coverage for orthotic devices and prosthetic devices, including repair or replacement of an orthotic device or a prosthetic device that:**

- (1) is performed by a licensed orthotist or prosthetist or a certified pedorthist;**
- (2) is determined by the enrollee's physician to be medically necessary to restore or maintain the enrollee's ability to perform activities of daily living or essential job related activities; and**
- (3) not solely for comfort or convenience.**

**(d) The coverage required under subsection (c) must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless otherwise limited by this section.**

**(e) The coverage required under subsection (c):**

- (1) may be subject to; and**
- (2) may not be more restrictive than;**

**the provisions that apply to other benefits under the group contract or individual contract.**

**(f) Coverage under an individual contract or a group contract may not be subject to lifetime:**

- (1) dollar limits or other coverage limitations for medically necessary orthotic devices or prosthetic devices; or**
- (2) deductibles, copayments, or coinsurance provisions for medically necessary orthotic devices or prosthetic devices that are less favorable to a covered individual than the deductibles, copayments, or coinsurance provisions applying to other coverage generally under the individual contract or group contract."**

and when so amended that said bill do pass.

(Reference is to HB 1140 as introduced.)

FRY, Chair

Committee Vote: yeas 9, nays 1.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1140, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 17, after "." insert "**The term does not include a dental or vision plan.**".

Page 2, line 4, delete "a licensed orthotist or prosthetist or a" and insert "**an orthotist, a prosthetist, or a pedorthist certified by:**

**(A) the American Board for Certification in Orthotics, Prosthetics and Pedorthics, or its successor; or**

**(B) the Board for Orthotist or Prosthetist Certification, or its successor; "**

Page 2, delete line 5.

Page 2, line 10, after "(3)" insert "is".

Page 2, line 14, after "unless" insert ":

**(1)".**

Page 2, line 14, delete "." and insert "; or

**(2) a different reimbursement rate is negotiated."**

Page 2, line 15, delete "The" and insert "**Except as provided in subsection (h), the**".

Page 2, delete lines 20 through 29, begin a new paragraph and insert:

**"(h) The coverage required under subsection (e) may be subject to utilization review, including periodic review, of the continued medical necessity of the benefit."**

Page 3, line 21, delete "a licensed orthotist or prosthetist or a" and insert "**an orthotist, a prosthetist, or a pedorthist certified by:**

**(A) the American Board for Certification in Orthotics, Prosthetics and Pedorthics, or its successor; or**

**(B) the Board for Orthotist or Prosthetist Certification, or its successor; "**

Page 3, delete line 22.

Page 3, line 27, after "(3)" insert "is".

Page 3, line 31, after "unless" insert ":

**(1)".**

Page 3, line 31, delete "." and insert "; or

**(2) a different reimbursement rate is negotiated."**

Page 3, line 32, delete "The" and insert "**Except as provided in section 8 of this chapter, the**".

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Page 3, delete lines 37 through 42, begin a new paragraph and insert:

**"Sec. 8. The coverage required under section 5 of this chapter may be subject to utilization review, including periodic review, of the continued medical necessity of the benefit."**

Page 4, delete lines 1 through 4.

Page 4, line 12, after "group contract" insert **"that provides coverage for basic health care services"**.

Page 4, line 16, delete "a licensed orthotist or prosthetist or a" and insert **"an orthotist, a prosthetist, or a pedorthist certified by:**

**(A) the American Board for Certification in Orthotics, Prosthetics and Pedorthics, or its successor; or**

**(B) the Board for Orthotist or Prosthetist Certification, or its successor; "**

Page 4, delete line 17.

Page 4, line 22, after "(3)" insert **"is"**.

Page 4, line 26, after "unless" insert **": (1)"**.

Page 4, line 26, delete "." and insert **"; or**

**(2) a different reimbursement rate is negotiated."**

Page 4, line 27, delete "The" and insert **"Except as provided in subsection (f), the"**.

Page 4, delete lines 32 through 41, begin a new paragraph and insert:

**"(f) The coverage required under subsection (c) may be subject to utilization review, including periodic review, of the continued medical necessity of the benefit."**

and when so amended that said bill do pass.

(Reference is to HB 1140 as printed January 25, 2008.)

MILLER, Chairperson

Committee Vote: Yeas 9, Nays 0.

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#### SENATE MOTION

Madam President: I move that Senator Deig be added as cosponsor of Engrossed House Bill 1140.

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1140 be amended to read as follows:

Page 2, line 5, after "pedorthist" insert "**that is accredited as required by the federal Centers for Medicare and Medicaid Services;**".

Page 2, delete lines 6 through 10.

Page 3, line 22, after "pedorthist" insert "**that is accredited as required by the federal Centers for Medicare and Medicaid Services;**".

Page 3, delete lines 23 through 27.

Page 4, line 17, after "pedorthist" insert "**that is accredited as required by the federal Centers for Medicare and Medicaid Services;**".

Page 4, delete lines 18 through 22.

(Reference is to EHB 1140 as printed February 22, 2008.)

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1140 be amended to read as follows:

Page 1, line 8, after "necessity" insert "**as a component of the prosthetic device**".

(Reference is to EHB 1140 as printed February 22, 2008.)

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